

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF JEFFERSON) CASE NO. 2002-00256
GAS TRANSMISSION COMPANY)

ORDER

On February 16, 1999, in Case No. 1998-00499, the Commission approved rates for Jefferson Gas Transmission Company (Jefferson) and provided for their further adjustment in accordance with Jefferson s gas cost adjustment (GCA) clause.

On July 1, 2002, Jefferson filed its proposed GCA to be effective August 1, 2002.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Jefferson s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Jefferson s proposed expected gas cost (EGC) is \$2.3629 per Mcf, which is 34.51 cents per Mcf less than the previous EGC of \$2.708.
3. Jefferson s notice sets out no current quarter refund adjustment.
4. Jefferson s notice sets out a current quarter actual adjustment (AA) of (17.91) cents per Mcf to return over-recovered gas costs from February, March and April 2002. Jefferson incorrectly used its EGC for May, June and July 2002, rather than its EGC for February, March and April 2002, to calculate its current quarter AA. Correcting for this error produces a current quarter AA of (19.04) cents per Mcf. Jefferson s total AA is (30.45) cents per Mcf, which is 19.04 cents per Mcf less than the previous total AA.

5. Jefferson's GCA is \$2.0584 per Mcf, which is 53.55 cents per Mcf less than the previous GCA of \$2.5939.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied by Jefferson on and after August 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for gas supplied by Jefferson on and after August 1, 2002.

2. Within 20 days of the date of this Order, Jefferson shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 19th day of July, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00256 DATED July 19, 2002

The following rates and charges are prescribed for the customers served by Jefferson Gas Transmission Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.89	\$2.0584	\$5.9484
Over 1 Mcf	\$2.26	\$2.0584	\$4.3184